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Trust Agreement

This Agreement made the 7 day of July, 1986

Between

Canada Mortgage and Housing Corporation  
(hereinafter called "the Settlor")

of the First Part

- and -

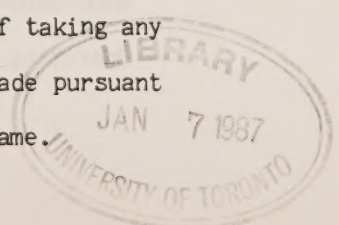
Manitoba Housing and Renewal Corporation  
(hereinafter called "the Trustee")

of the Second Part

Whereas:

1. The Government of Canada and the Government of Manitoba have entered into a Global Agreement on social housing dated the 6 day of February, 1986 enabling the parties thereto to share the cost of any social housing programs or initiatives which they wish to foster jointly.
2. The Settlor and the Trustee have entered into an Operating Agreement dated the 7 day of July, 1986 for the purpose of carrying into effect the principles of the Global Agreement.
3. The Settlor and the Trustee have agreed in the Operating Agreement to cost-share delivery and administration of, inter alia, the Rural and Native Housing Program and the Trustee has agreed to assume the role of Active Party in the delivery and administration of part of that Program.
4. Loans made pursuant to section 34.15 of the National Housing Act ("the Act") are to be secured by a first mortgage or by such other security as the Settlor deems adequate to safeguard its interests and loans made pursuant to section 34.16 of the Act are to be secured in such manner and to such extent as the Settlor determines adequate to safeguard its interests.
5. To enable it to effectively deliver and administer projects under the Program referred to in paragraph 3 which it has agreed to cost-share, the Trustee is desirous of taking any security given in respect of individual loans made pursuant to sections 34.15 and 34.16 of the Act in its name.

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6. In order to accommodate this request and to also meet the requirements of the Act for the Settlor to adequately secure its interests, the Parties hereto have agreed to enter into this Trust Agreement for the purpose of providing to the Settlor a form of security adequate to protect its interests.

Now therefore, in consideration of the covenants hereinafter contained and in consideration of the Trustee being permitted to take individual securities in its own name for loans made pursuant to sections 34.15 and 34.16 of the Act, the Parties hereto mutually agree as follows:

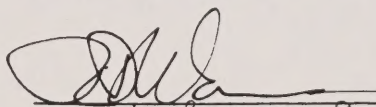
1. The Trustee shall take the security required by sections 34.15 and 34.16 of the Act and shall hold it, together with any other security or securities it may obtain, in trust for the mutual benefit of the Parties hereto in accordance with the cost-sharing ratio established in the Operating Agreement for the Program under which the loan has been made.
2. All monies advanced by the Settlor to the Trustee and all monies realized under any mortgage or other security and any financial or other obligation in favor of the lender described in such instrument shall be held and administered in trust for the mutual benefit of the Parties hereto in accordance with the cost-sharing ratio referred to in paragraph 1.
3. Any right, title or other interest acquired by the Trustee arising out of the security instrument or otherwise arising in law shall be held and administered in trust for the mutual benefit of the Parties hereto in accordance with the cost-sharing ratio referred to in paragraph 1.
4. All monies realized by the Trustee pursuant to any security instrument taken in respect of a loan referred to in paragraph 1 shall be administered and otherwise dealt with in accordance with the financial arrangements established in the Operating Agreement.

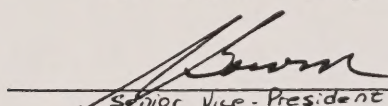


5. Notwithstanding anything contained in this Trust Agreement, it is mutually understood and agreed by the Parties hereto that neither the individual security instruments taken in respect of loans nor any right, title or interest acquired by the Trustee arising out of such instruments or otherwise arising in law need to specifically describe or refer to the trust arrangements described and established in this Trust Agreement.
6. This Trust Agreement shall remain in full force and effect for so long as the Operating Agreement remains in force and thereafter until the completion of the administration of all securities, money, rights or other property flowing therefrom.
7. The Trustee shall not be entitled to any fee, compensation or reimbursement by virtue of this Trust Agreement, it being incidental to the Operating Agreement.

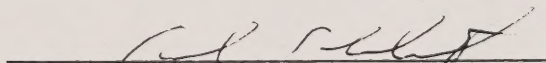
In Witness Whereof the Settlor and the Trustee have executed these presents on the date first described above.

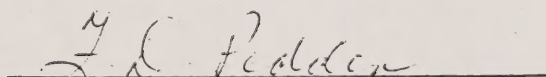
Canada Mortgage and Housing Corporation

  
Vice-President - Programs

  
Senior Vice-President

THE Manitoba Housing and Renewal Corporation



  
F. L. Padden

